Peabody Announces Cash Tender Offers For Any And All Of Its Outstanding 6.000% Senior Secured Notes Due 2022 And 6.375% Senior Secured Notes Due 2025

28.08.2019 | PR Newswire

ST. LOUIS, Aug. 28, 2019 - Peabody (NYSE: BTU) announced today that it has commenced cash tender offers (the "Offers") to purchase (i) any and all of its $500,000,000 in outstanding aggregate principal amount of 6.000% Senior Secured Notes due 2022 (the "2022 Notes") and (ii) any and all of its $500,000,000 in outstanding aggregate principal amount of 6.375% Senior Secured Notes due 2025 (the "2025 Notes" and, together with the 2022 Notes, the "Notes" and each, a "Series" of Notes).

Peabody is pursuing the Offers, subject to market conditions and other factors, as part of a refinancing initiative to accommodate the pending PRB/Colorado joint venture with Arch Coal. Additionally, the Offers are expected to increase the company's financial flexibility and extend debt maturities. The company remains committed to its previously stated liquidity and gross debt targets.

In connection with the Offers, Peabody is soliciting consents (the "Consent Solicitations") to proposed amendments to the indenture governing the Notes (the "Indenture") that would (i) eliminate substantially all restrictive covenants, certain events of default applicable to the Notes and certain other provisions contained in the Indenture and (ii) release the collateral securing the Notes and eliminate certain other related provisions contained in the Indenture.

The Offers are scheduled to expire at 11:59 p.m., New York City time, on September 25, 2019, unless extended or earlier terminated (the "Expiration Time"). Holders of Notes that validly tender (and do not validly withdraw) their Notes and provide their consents to the proposed amendments to the Indenture before 5:00 p.m., New York City time, on September 11, 2019, unless extended (the "Consent Payment Deadline"), will be eligible to receive the applicable Total Consideration (as set forth below).

Aggregate Outstanding Principal Amount[1]	Title of Security	CUSIP No.	Tender Offer Consideration[2]	Consent Payment[3]	Total Consideration [2] [3] [4]
$500,000,000	6.000% Senior Secured Notes due 2022	70457L AA2 U7049L AA6	$1,002.50	$30.00	$1,032.50
$500,000,000	6.375% Senior Secured Notes due 2025	70457L AB0 U7049L AB4	$1,017.50	$30.00	$1,047.50

(1) As of August 28, 2019.

(2) Plus accrued and unpaid interest from the last interest payment date to, but not including, the applicable settlement date.

(3) Per $1,000 principal amount of Notes tendered prior to the Consent Payment Deadline.

(4) Includes the consent payment.

If Peabody purchases less than all of the outstanding 2022 Notes pursuant to the applicable tender offer, the company currently intends (but is not obligated) to redeem any remaining outstanding 2022 Notes pursuant to the Indenture after the Final Settlement Date (as defined below), although the timing or consummation of any such redemption is within Peabody's discretion.

The Offers contemplate an early settlement option, so that holders whose Notes are validly tendered prior to the Consent Payment Deadline and accepted for purchase could receive payment on an initial settlement date, which is expected to be September 17, 2019, provided that the conditions to the Offers have been satisfied or waived, as described more fully below. Tenders of Notes may be validly withdrawn and consents may be validly revoked until the Withdrawal Deadline (as defined below). Holders who validly tender their Notes after the Consent Payment Deadline and prior to the Expiration Time will be eligible to receive payment of only the applicable Tender Offer Consideration on the final settlement date, which is expected to be September 27, 2019 (the "Final Settlement Date"), and such holders will not be entitled to receive the Consent Payment or the Total Consideration.

In connection with the Offers, Peabody is soliciting consents to certain proposed amendments to the Indenture. Holders may not tender their Notes without delivering consents or deliver consents without tendering their Notes. No Consent Payments will be made in respect of Notes tendered after the Consent Payment Deadline.

Following receipt of the consent of holders of 66-2/3% in principal amount of a Series of the outstanding Notes, Peabody will execute a supplemental indenture with respect to such Series of Notes to amend the Indenture to (i) eliminate substantially all restrictive covenants, certain events of default applicable to the Notes and certain other provisions contained in the Indenture and (ii) release the collateral securing the Notes and eliminate certain other related provisions contained in the Indenture.

Alternatively, following receipt of the consent of holders of a majority, but less than 66-2/3%, in principal amount of a Series of the outstanding Notes, Peabody will execute a supplemental indenture with respect to such Series of Notes to amend the Indenture to eliminate substantially all restrictive covenants, certain events of default applicable to the Notes and certain other provisions contained in the Indenture. The supplemental indentures will be effective at the time of execution, but will not become operative until Peabody has purchased 66-2/3% or a majority, as applicable, in principal amount of the outstanding Notes of the applicable Series.

Tendered Notes may be withdrawn and consents may be revoked before 5:00 p.m., New York City time, on September 11, 2019, unless extended (the "Withdrawal Deadline"), but generally not afterwards, unless required by law. Any extension or termination of the Offers will be followed as promptly as practicable by a public announcement thereof.

The Offers are subject to the satisfaction or waiver of certain conditions including: (1) a financing condition, which the company expects to satisfy through a combination of long-term senior secured debt and long-term senior unsecured debt, but, subject to market conditions and at Peabody's sole discretion, the company may elect to incur alternative debt financing; (2) with respect to the 2025 Notes, a minimum tender condition, pursuant to which a minimum of 50.1% in principal amount of the outstanding 2025 Notes must be validly tendered and accepted for payment pursuant to the applicable tender offer and prior to the Expiration Time; and (3) certain other customary conditions.

The complete terms and conditions of the Offers are described in the Offer to Purchase and Consent Solicitation Statement dated August 28, 2019, copies of which may be obtained from Global Bondholder Services Corporation, the tender agent and information agent for the Offers, by calling (866) 807-2200 (U.S. toll-free), (212) 430-3774 (banks and brokers) or by emailing contact@gbsc-usa.com.

Peabody has also retained Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC as the dealer managers for the Offers and solicitation agents for the Consent Solicitations. Questions regarding the terms of the Offers may be directed to Goldman Sachs & Co. LLC by calling (212) 902-6941 (collect) or (800) 828-3182 (US toll-free) or to J.P. Morgan Securities LLC by calling (212) 834-3424 (collect) or (866) 834-4666 (US toll-free).

None of Peabody, its board of directors (or any committee thereof), the dealer managers, the tender agent, the information agent, the trustee for the Notes or their respective affiliates is making any recommendation as to whether or not holders should tender all or any portion of their Notes in the Offers.

This announcement is not an offer to purchase or sell, a solicitation of an offer to purchase or sell or a solicitation of consents with respect to any securities. The Offers are being made solely by the Offer to Purchase and Consent Solicitation Statement dated August 28, 2019. The Offers are not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

Peabody (NYSE: BTU) is the leading global pure-play coal company and a member of the Fortune 500, serving power and steel customers in more than 25 countries on six continents. The company offers significant scale, high-quality assets, and diversity in geography and products. Peabody is guided by seven core values: safety, customer focus, leadership, people, excellence, integrity and sustainability.

Contact:
Julie Gates
314.342.4336

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words or variation of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "targets," "would," "will," "should," "goal," "could" or "may" or other similar expressions. Forward-looking statements provide management's current expectations or predictions of future conditions, events or results. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. They may include estimates of revenues, income, earnings per share, cost savings, capital expenditures, dividends, share repurchases, liquidity, capital structure, market share, industry volume, or other financial items, descriptions of management's plans or objectives for future operations, or descriptions of assumptions underlying any of the above. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the company's control, that are described in our Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2018 and most recent quarterly report on Form 10-Q, as well as additional factors we may describe from time to time in other filings with the SEC. You should understand that it is not possible to predict or identify all such factors and, consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties.

View original content to download multimedia:http://www.prnewswire.com/news-releases/peabody-announces-cash-tender-offers-for-any-and-all-of-its-ou

SOURCE Peabody